

BEFORE THE VIRGINIA GAS AND OIL BOARD

RELIEF SOUGHT: An Order for Disbursement of Escrowed Funds

JURISDICTION: Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq)

UNIT/WELL NAME: P41

TRACT(S): A portion of 2C

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-93-0217-0329-05

APPLICANTS: CNX Gas Company LLC on behalf of CNX Gas Company LLC, Greta Meek, James M. Guire Land Trust, James M. McGuire Land Trust, Tamala M. Pelphrey

HEARING DATE AND LOCATION: Russell County Government Center, Lebanon, Virginia
October 22, 2013

APPEARANCES: Mark A. Swartz on behalf of CNX Gas Company LLC

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 04/05/1993, Recorded on 04/08/1993, Deed Book/Instrument No. 406, Page 512.
2. Supplemental Order Executed 04/25/1994, Recorded on 05/20/1994, Deed Book/Instrument No. 422, Page 468.
3. Disbursement Order -01 Executed 02/18/2003, Recorded on 02/21/2003, Deed Book/Instrument No. 563, Page 36.
4. Supplemental Order Executed 02/18/2003, Recorded on 02/21/2003, Deed Book/Instrument No. 563, Page 36.

130002388

NOTICE:

The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the October 22, 2013 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) A portion of 2C identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) A portion of 2C relative to the interests of the Applicants identified in the attached petition.
- (3) Continue the escrow account under this docket number.

FINDINGS:

Code of Virginia § 45.1-361.22

Applicant has certified and represented to the Board that:

James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title have entered into royalty split agreement(s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

RELIEF GRANTED:

VGOB Disbursement

Unit P41

VG08-93-0217-0329-05

Table 1 (pay exact dollar amount based on account balance of 11/30/2011)

Tracts: A portion of 2C

[illegible]

2C		Tract 2C (total acreage)	21.32					
1	2C	Greta Meek\177 Colvin Branch, Oil Springs, KY 41238	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47
2	2C	Tamala M. Pelphrey\10809 Meefing St., Prospect, KY 40059	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47
3	2C	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47
4	2C	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47

VGOB Disbursement
Unit P41

VGOB-93-0217-0329-05

Table 2 (pay percentage on balance after deducting the above balance)
Tracts: A portion of 2C

			Fractional	Net Acreage	Royalty	Escrowed	Percent of
			Ownership	Ownership	Split	Acres	Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
Item	Tract	Disbursement Table					
		Total acreage in escrow before disbursement				20.38000	
2C Tract 2C (total acreage)			21.32				
1	2C	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%
2	2C	James M. Guire Land Trust\P.O. Box 1067, Bluefield VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%
3	2C	CNX Gas Company LLC\2481 John Nash Blvd, Bluefield WV 24701	1/18	1.1844	50.00%	0.5922	2.9059%
4	2C	CNX Gas Company LLC\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1 and 2.

2. The Escrow Agent is ordered to continue the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

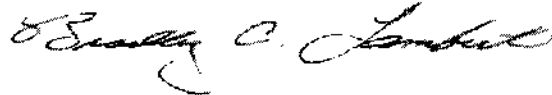
CONCLUSION:

Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

DONE AND EXECUTED this 19 day of November, 2013 by a majority of the Virginia Gas and Oil Board.



Chairman, Bradley C. Lambert


DONE AND PERFORMED this 19 day of November, 2013 by Order of the Virginia Gas and Oil Board.



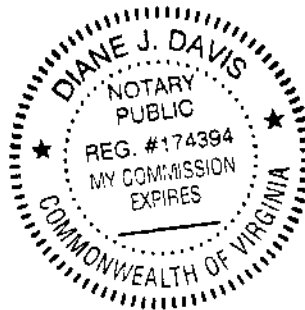
Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 19th day of Nov, 2013 personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board and appeared Rick Cooper, being duly sworn did depose and say that he is Principal Executive to the staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.


Diane J. Davis, Notary Public
174394

My Commission expires: September 30, 2017



BEFORE THE VIRGINIA GAS AND OIL BOARD

PETITIONER: CNX Gas Company LLC

DIVISION OF GAS AND OIL

DOCKET NO: VGOB 93-0217-0329-05

**RELIEF SOUGHT: (1) DISBURSEMENT FROM
ESCROW REGARDING TRACT(S) A portion of 2C
(2) AND AUTHORIZATION FOR DIRECT
PAYMENT OF ROYALTIES**

HEARING DATE: October 15, 2013

DRILLING UNIT: P41

BUCHANAN COUNTY, VIRGINIA

PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS

1. Petitioner and its counsel

Petitioner is CNX Gas Company LLC, 2481 John Nash Blvd, Bluefield, WV 24701, (304)323-6500. Petitioner's counsel is Mark A. Swartz, Swartz Law Offices, 601 Sixth Avenue, Suite 201, P.O. Box 1808, St. Albans, WV 25177-1808..

2. Relief Sought

(1) the disbursement of escrowed funds heretofore deposited with the Board's Escrow Agent(s) attributable to Tract(s) 2C as depicted upon the annexed Exhibit A-1; and (2) authorization to begin paying royalties directly to the parties to the royalty split between James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

5. Factual basis for relief requested

James M McGuire Land Trust and Greta Meek, Tamala M. Pelphrey, and Consolidation Coal Company/ CNX Gas Company LLC, successor in title have entered into royalty split agreement (s). Said royalty split agreement allows the Applicant and Designated Operator to pay royalties directly to the persons identified in Exhibit EE annexed hereto and the annexed Exhibit A-1, further, specifies how said royalties are to be divided and paid.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.



Licensed Professional Engineer or Licensed Land Surveyor

CNX Gas Company LLC

UNIT P 41

Tract Identification

1. P. J. Brown Heirs, et al (889 Acre Tract) - All Mineral
Island Creek Coal Company/Consol Energy, Inc. Company - Coal Below Drainage Leased
Jewell Smokeless Coal Corporation - Coal Above Drainage Leased
CNX Gas Company LLC - Oil, Gas and CBM Leased (99.86776%)
P. J. Brown Heirs - Surface
40.73 Acres 50.8126%
- 2A. James M. McGuire Trust - Coal
Reserve Coal Properties - Below Drainage Coal Leased
Jewell Ridge Coal Corp. - Jawbone and Tiller Seams Leased
CNX Gas Company LLC - All Minerals except Coal
Consolidation Coal Company - Surface
6.59 Acres 8.2376%
- 2B. James M. McGuire Trust - Coal
Reserve Coal Properties - Below Drainage Coal Leased
Jewell Ridge Coal Corp. - Jawbone and Tiller Seams Leased
Norfolk & Western Railway Company - Surface and All Minerals except Coal
9.72 Acres 12.1500%
- 2C. James M. McGuire Trust - Coal
Reserve Coal Properties - Below Drainage Coal Leased
Jewell Ridge Coal Corp. - Jawbone and Tiller Seams Leased
Linda M. Esbridge, et al - Surface and All Minerals except Coal
21.32 Acres 26.6500%
- 2D. James M. McGuire Trust - Coal
Reserve Coal Properties - Below Drainage Coal Leased
Jewell Ridge Coal Corp. - Jawbone and Tiller Seams Leased
CNX Gas Company LLC - Surface and All Minerals except Coal
1.64 Acres 2.0500%

VGOB Disbursement

Unit P41

VGOB-93-0217-0329-05

Table 1 (pay exact dollar amount based on account balance of 11/30/2011)

A portion of 2C

			Fractional	Net Acreage	Royalty	Escrowed	Percent of	Disbursement
			Ownership	Ownership	Split	Acres	Escrowed Funds	
			in Tract	inTract	Agreement	Disbursed	Disbursed	
Item	Tract	Disbursement Table						
		Total acreage in escrow before disbursement				20.38000		
2C Tract 2C (total acreage)			21.32					
1	2C	Greta Meek\177 Colvin Branch, Oil Springs, KY 41238	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47
2	2C	Tamala M. Pelphrey\10809 Meeting St., Prospect, KY 40059	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47
3	2C	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47
4	2C	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,576.47

VGOB Disbursement

Unit P41

VGOB-93-0217-0329-05

Table 2 (pay percentage on balance after deducting the above balance)

A portion of 2C

			Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds	Disbursement
			In Tract	InTract	Agreement	Disbursed	Disbursed	
Item	Tract	Disbursement Table						
		Total acreage in escrow before disbursement				20.38000		
2C Tract 2C (total acreage)			21.32					
1	2C	James M. McGuire Land Trust\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,405.40
2	2C	James M. Guire Land Trust\P.O. Box 1067, Bluefield VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,405.40
3	2C	CNX Gas Company LLC\2481 John Nash Blvd, Bluefield WV 24701	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,405.40
4	2C	CNX Gas Company LLC\P.O. Box 1067, Bluefield, VA 24605	1/18	1.1844	50.00%	0.5922	2.9059%	\$1,405.40

Wells contributing to the escrow account:

Exhibit E
Unit P-41
Docket #VGOB 93-0216-0329-05
List of all Owners/Claimants that require escrow

	Acres In Unit	Percent of Unit	Interest in 15-Right 1.97042%
<u>Tract #2B - 9.72 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24605	9.72 acres	12.1500%	0.23941%
<u>OIL & GAS OWNERSHIP</u>			
(1) Norfolk Southern Railway Company <i>If no conflict royalties paid for:</i> Pocahontas Land Corporation Treasurer, Pocahontas Land Corporation P. O. Box 1517 Bluefield, WV 24701	9.72 acres	12.1500%	0.23941%
<u>Tract #2C - 21.32 acres</u>			
<u>COAL OWNERSHIP</u>			
(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24605	21.32 acres	26.6500%	0.52612%
<u>OIL & GAS OWNERSHIP</u>			
(1) Consolidation Coal Company, et al <i>Previously W. B. McDonald, et ux, Heirs, devisees, Successors or Assigns</i>	21.32 acres	26.6500%	
(c) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Sherry R. McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%
(d) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Aristotle McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%
(e) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Abraham McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%
(g) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Greg B. McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%
(h) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Byrd McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%
(i) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, RyShay McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%
(j) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Timothy McDonald</i>	1.18 acres 1/18 of 12.02 acres	1.4806%	0.02917%

Exhibit E
Unit P-41
Docket #VGOB 93-0216-0329-05
List of all Owners/Claimants that require escrow

	Acres in Unit	Percent of Unit	Interest in 15-Right 1.87042%
<hr/>			
Greg McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No. 11-2743)			
Sherry R. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No. 11-2748)			
Timothy J. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No. 11-2708)			
Greg McDonald	conveyed interest (Instrument 11-2743), 11/4/2011		
Sherry R. McDonald	conveyed interest (Instrument 11-2748), 11/4/2011		
Timothy J. McDonald	conveyed interest (Instrument 11-2708), 11/3/2011		
Aristotle McDonald	conveyed interest (Instrument 11-2743), 11/4/2011		
Abraham McDonald	conveyed interest (Instrument 11-2749), 11/4/2011		
Byrd W. McDonald (I)	conveyed interest (Instrument 11-2755), 11/7/2011		
ByShay McDonald	conveyed interest (Instrument 11-2746), 11/4/2011		

Exhibit EE
Unit P-41
Docket #VGOB 93-0216-0329-05
List of all Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Interest in 15-Right 1.97042%	Percent of Escrow
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Tract #2A - 6.59 acres

COAL OWNERSHIP

(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24606	6.59 acres	8.2375%	0.16231%	n/a
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OIL & GAS OWNERSHIP

(1) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 (Previously Reserve Coal Properties)	6.59 acres	8.2375%	0.16231%	n/a
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Tract #2C - 21.32 acres

COAL OWNERSHIP

(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24606	21.32 acres	26.6500%	0.52512%	5.8118%
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OIL & GAS OWNERSHIP

(1) Consolidation Coal Company, et al <i>Previously W. B. McDonald, et ux. Heirs, Devisees, Successors or Assigns</i>	21.32 acres	26.6500%	0.52512%	
(a) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously Maledge Estridge, conveyed 1/2 interest (Instrument 11-2623), 10/21/2011</i>	10.66 acres 1/2 of 21.32 acres	13.3250%	0.26256%	n/a
(b) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Grata Meek</i>	1.18 acres 1/18 of 1.86 acres	1.4806%	0.02917%	2.9059%

Note: Royalties will be paid to the prior owner per royalty agreement up to the date the property was sold

(f) Consolidation Coal Company/ CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 <i>Previously B. W. McDonald Testamentary Trust, Tamala M. Polphrey</i>	1.18 acres 1/18 of 1.86 acres	1.4806%	0.02917%	2.9059%
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Note: Royalties will be paid to the prior owner per royalty agreement up to the date the property was sold

Greg McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2743)
Sherry R. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrum of 1.86 acres)
Timothy J. McDonald conveyed interest as Co-Executor and Co-Trustee (Instrument No.11-2708)
Tamala M. Polphrey conveyed interest (Instrument 11-2744), 11/4/2011
Grata M. Meek conveyed interest (Instrument 11-2745), 11/4/2011

Exhibit EE
Unit P-41
Docket #VGOB 93-0216-0329-05
List of all Owners/Claimants with Royalty Split Agreements

	Acres in Unit	Percent of Unit	Interest in 15-Right 1.97042%	Percent of Escrow
<u>Tract #2D - 1.64 acres</u>				
<u>COAL OWNERSHIP</u>				
(1) James M. McGuire Land Trust (460.57 Acre Tract) P.O. Box 1067 Bluefield, VA 24605	1.64 acres	2.0500%	0.04039%	n/a
<u>OIL & GAS OWNERSHIP</u>				
(1) CNX Gas Company, LLC 1000 Consol Energy Drive Canonsburg, PA 15317 (Previously Reserve Coal Properties)	1.64 acres	2.0500%	0.04039%	n/a

INSTRUMENT #130002388
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
DECEMBER 6, 2013 AT 01:18PM
BEVERLY S. TILLER, CLERK
RECORDED BY: MXB